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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.



## DETAILED ACTION

### *Response to Amendment*

Amendment received on 2/11/2009 is acknowledged and entered. Claims 1-7, 9, 13, 14, 17-23, 25, 27, 28, 31-37 have been canceled. Claims 8 and 24 have been amended. Claims 8, 10-12, 15, 16, 24, 26, 29 and 30 are currently pending in the application.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 8, 10, 11, 15, 16, 24, 26, 29 and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Papalia et al. (US 6,255,805) in view of Neirlich et al. (US 6,519,509).**

Papalia et al. (Papalia) teaches a computer-implemented method and computer-readable medium having computer-readable instructions for implementing said method for optimizing energy usage at an end user site comprising:

#### *Independent Claims*

Claims 8 and 24,

determining a cost for generating energy at the end user site (C. 2, L. 46-48);

determining the cost of purchasing energy from another energy supplier (C. 2, L. 46-50);

establishing a set of end-user energy policies for generating and using energy at the end-user site (C. 1, L. 66 - C. 2, L. 2; C. 2, L. 51-54);

Art Unit: 3628

generating a set of energy supply alternatives for the end-user site based on the energy user requirements and the cost of the energy alternatives (C. 2, L. 32 – C. 3, L. 20) by

determining which alternative energy suppliers have energy available at the time of a particular application at the end-user site (C. 2, L. 46-48);

calculating for each alternative energy supplier the amount of available energy and the cost of that energy at that alternative supplier (for the grid) (C. 2, L. 46-48);

selecting an energy supplier for the particular end-user application, the selected energy supplier being an alternative energy supplier from the generated set of energy alternatives (electricity or fuel for generators), said selection being based on said established end-user energy policies (selecting power from the grid) (C. 2, L. 46-48);

providing energy at the end-user facility, and using said provided energy by the end-user for the particular end-user application (an air conditioner) (C. 2, L. 46-48; C. 4, L. 63);

determining whether there is an amount of energy generated at the end-user facility that is in excess of the energy user at the end-user facility (C. 2, L. 32 – C. 3, L. 20);

selling any excess energy generated by the end-user site to other energy suppliers by making said information about available energy available to potential energy purchasers thereby indicating “consummating” step (C. 2, L. 32 – C. 3, L. 20).

While Papalia teaches said method for buying or selling energy for the end-user, Papalia does not explicitly teach that said alternative energy sources include another end-user. However, participating an end-user in energy trading is a key factor in the success of Papalia's method. As discussed by Papalia, the end-user participates in buying from and selling energy to other alternative energy sources. This practice is well known in the business community and would follow in that it is not only one end-user participates in the method, but a plurality of end-users, which, is only way to make Papalia's method and system feasible. Therefore, it would have been obvious to try, by one of ordinary skill in the art at the time of the invention, to perform said buying and selling energy with a plurality of end-users, wherein alternative energy sources for each

Art Unit: 3628

end-user include other end-users, and to incorporate it into the system of Papalia, since there are a finite number of identified, predictable potential solutions (i.e., energy sources such as a grid and market participants including other end-users) to the recognized need of finding less costly energy sources, and one of ordinary skill in the art would have pursued the known potential solutions with a reasonable expectation of success.

Also, while Papalia teaches conducting energy trades in the open market, thereby suggesting placing information about available energy in a location accessible to potential energy purchasers, and negotiating the price and quantity of the energy with a potential energy purchaser, Papalia does not explicitly disclose specifics of said trades.

Neirlich et al. (Neirlich) teaches a computer-implemented method and computer-readable medium having computer-readable instructions for implementing said method for optimizing energy usage at an end user site, wherein end-users can activate private energy generators for personal use when buying energy from energy providers is not feasible, and wherein the excess of said energy generated at the end-users premises can be sold to potential energy purchasers, and further wherein various specifics of open market trade are disclosed including placing information about available energy in a location accessible to potential energy purchasers; negotiating the price and quantity of the energy with a potential energy purchaser; said information containing a desired energy quantity and purchase price; determining whether to accept the offer, reject the offer or to submit a counter offer to the potential purchaser; and submitting a response to the potential energy purchaser, thereby consummating the transaction with the potential energy purchaser (Figs. 12, 13, 19-23; C. 2, L. 51-60; C. 4, L. 23-24; C. 8, L. 25-45; C. 9, L. 23-63; C. 10, L. 43-46; C. 11, L. 21-23; C. 16, L. 35-37).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Papalia to include specifics of conducting energy trades in the open market, as disclosed in Neirlich, because it would advantageously allow to enable monitoring, control, and analysis of load profiles and energy market prices that cover a large number of distributed end-users, as specifically stated in Neirlich (C. 17, L.

Art Unit: 3628

5-7). Furthermore, in this case, each of the elements of the cited references combined by the Examiner performs the same function when combined as it does in the prior art. Thus, such a combination would have yielded predictable results. See *Sakraida*, 425 U.S. at 282, 189 USPQ at 453. Therefore, Supreme Court Decision in *KSR International Co. v. Teleflex Inc.* (KSR, 82 USPQ2d at 1396) forecloses the argument that a specific teaching, suggestion, or motivation is required to support a finding of obviousness. See the recent Board decision *Ex arte Smith*, --USPQ2d--, slip op. at 20, (Bd. Pat. App. & Interf. June 25, 2007).

Dependent Claims

Claims 10-12, 26, 29 and 30, same reasoning as applied to claims 8 and 24.

Claim 10. Papalia teaches that said end-user energy policy is based on the lowest energy cost and the closest available time to a preferred time of the user C. 1, L. 66 - C. 2, L. 2; C. 2, L. 51-54);

Claims 11 and 26. Papalia teaches said method further comprising after said selection step, steps for implementing a pre-programmed operation of the particular appliance or application using energy from the selected energy option (running an air-conditioning unit) (C. 2, L. 46-48; C. 4, L. 63);

Claim 12. Papalia teaches that said implementing steps are automatically performed (Fig. 1, controlling circuit 110 including microcontroller 112).

Claims 15 and 29. Said method wherein said negotiating step comprises: receiving an offer from a potential purchaser to buy energy, said offer containing a desired energy quantity and purchase price; determining whether to accept the offer, reject the offer or to submit a counter offer to the potential purchaser; and submitting a response to the potential energy purchaser (same reasoning as applied to claim 8).

Claims 16 and 30. Said method further comprising when the selected alternative is the end-user the steps of: submitting an offer to purchase energy to the selected energy supplier; receiving a response to the energy purchase offer from the selected energy supplier; and consummating the transaction with the energy purchaser (Papalia teaches selecting the least costly energy alternative, and conducting the transaction) (C. 2, L. 46-48).

### ***Response to Arguments***

Applicant's arguments filed 2/11/2009 have been fully considered but they are not persuasive.

In response to applicant's argument that Papalia does not teach alternative end-user facilities supplying energy to other end-users facilities, it is noted that participating an end-user in energy trading is a key factor in the success of Papalia's method. As discussed by Papalia, the end-user participates in buying from and selling energy to other alternative energy sources. This practice is well known in the business community and would follow in that it is not only one end-user participates in the method, but a plurality of end-users, which, is only way to make Papalia's method and system feasible. Therefore, it would have been obvious to try, by one of ordinary skill in the art at the time of the invention, to perform said buying and selling energy with a plurality of end-users, wherein alternative energy sources for each end-user include other end-users, and to incorporate it into the system of Papalia, since there are a finite number of identified, predictable potential solutions (i.e., energy sources such as a grid and market participants including other end-users) to the recognized need of finding less costly energy sources, and one of ordinary skill in the art would have pursued the known potential solutions with a reasonable expectation of success.

In response to applicant's argument that Neirlich does not teach selling any excess generated energy to other end-users by placing information about available energy in a location accessible to potential energy purchasers, it is noted that Papalia

Art Unit: 3628

teaches conducting energy trades in the open market, thereby suggesting placing information about available energy in a location accessible to potential energy purchasers, and negotiating the price and quantity of the energy with a potential energy purchaser. Furthermore, Neirlich teaches method for optimizing energy usage at an end user site, wherein end-users can activate private energy generators for personal use when buying energy from energy providers is not feasible, and wherein the excess of said energy generated at the end-users premises can be sold to potential energy purchasers, and further wherein various specifics of open market trade are disclosed including placing information about available energy in a location accessible to potential energy purchasers (Figs. 12, 13, 19-23; C. 2, L. 51-60; C. 4, L. 23-24; C. 8, L. 25-45; C. 9, L. 23-63; C. 10, L. 43-46; C. 11, L. 21-23; C. 16, L. 35-37).

In response to applicant's argument that the prior art fails to disclose a system of negotiating energy prices between an end-user generating energy and an energy purchaser, it is noted that Papalia teaches an open market environment wherein an excess of generated energy is sold back to the grid (C. 5, L. 22-26). As per "negotiating" per se, Nierlich et al. was applied for this feature.

In response to applicant's argument that Neirlich fails to disclose that energy available from the end-user is generated energy, it is noted that Papalia teaches said feature (see a discussion above). To this end Examiner points out that applicant's arguments are directed against the references individually; but one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

In response to applicant's argument that the prior art fails to disclose selling any excess generated energy to other end-users or to energy suppliers by placing information about available energy in a location accessible to potential energy purchasers, it is noted that Papalia teaches an open market environment wherein an



Art Unit: 3628

excess of generated energy is sold back to the grid (C. 5, L. 22-26), thereby suggesting making available information regarding said generated energy to the market participants. Furthermore, Nierlich et al. discloses this feature in details (see a discussion above).

In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, both references disclose end energy users engaging in buying or selling energy generated on end-users' premises. The motivation to combine the references would be enabling monitoring, control, and analysis of load profiles and energy market prices that cover a large number of distributed end-users, as specifically stated in Neirlich (C. 17, L. 5-7). Furthermore, in this case, each of the elements of the cited references combined by the Examiner performs the same function when combined as it does in the prior art. Thus, such a combination would have yielded predictable results. See *Sakraida*, 425 U.S. at 282, 189 USPQ at 453. Therefore, Supreme Court Decision in *KSR International Co. v. Teleflex Inc.* (KSR, 82 USPQ2d at 1396) forecloses the argument that a specific teaching, suggestion, or motivation is required to support a finding of obviousness. See the recent Board decision *Ex arte Smith*, --USPQ2d--, slip op. at 20, (Bd. Pat. App. & Interf. June 25, 2007).

The remaining applicant's arguments essentially repeat the arguments presented above; therefore, the responses presented by the examiner above are equally applicable to the remaining applicant's arguments.

### ***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Igor Borissov whose telephone number is 571-272-6801. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John W. Hayes can be reached on 571-272-6708. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3628

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Igor N. Borissov/

Primary Examiner, Art Unit 3628

05/09/2009